

**R587-1. Purpose:** To authorize the Commissioner to approve specific acquisitions of equipment on a lease-purchase basis.

## R587-2. References

- 2.1. Utah Code §53B-1-103

## R587-3. Policy

**3.1. Commissioner's approval:** Lease-purchase acquisitions requiring the Commissioner's approval are limited to those which are substantial in nature.

**3.2. Authorized debt service costs paid from appropriated funds:** To the extent that debt service costs for lease-purchase acquisitions are to be paid by an institution from appropriated funds, the cumulative commitment of annual payments during any fiscal year from such funds, for these and any previous equipment purchases, shall not exceed 50 percent of the budgeted funds for equipment in the relevant line items, respectively, for that institution during that fiscal year.

**3.4. Debt service costs paid from non appropriated funds:** To the extent that debt service costs for such acquisitions are to be paid by an institution from non-appropriated funds, the cumulative commitment of such funds for these and any previous equipment purchases to be paid from the same source will be shown, by an economic feasibility study, to be prudent and reasonable in relation to budgeted equipment funds from that source.

**3.5. Future acquisitions:** Future equipment acquisitions by an institution on a lease-purchase or other similar basis involving debt service payments covering more than one year may not exceed the limitations stated in paragraphs 3.3 and 3.4 unless previously authorized by the Board of Regents or the Legislature.

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<sup>1</sup> Approved May 15, 1984, amended May 17, 2013.